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Introduction: American Social Policy and the Reagan Legacy

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With the retirement of Ronald Reagan from active political life, the long term effects of his policies and programs need to be addressed. This introduction to the special issue on The Reagan Legacy and the American Welfare State draws on the findings of the various contributors to provide an overview of the impact of Reagan administration's policies on various facets of the welfare state, and an assessment of their likely longer term effects.

At the time that Ronald Reagan's second presidential term of office expired, there was much speculation about whether his presidency had produced a lasting legacy that would shape the character of American society for years to come. Unlike its predecessors, the Reagan administration set out to produce a significant and enduring alteration to prevailing institutions and it is for this reason that the notion of revolution was frequently used to characterize the administration, especially in its early days. Indeed, this was an analogy that the Reaganites not only encouraged but cultivated.

Although other Republican presidents had expressed opposition to New Deal social policies, none had previously mounted such a concerted and vigorous attack on state welfare programs. Inspired by radical right wing teachings, the Reagan administration declared its opposition to state sponsorship of the human services, believing that needs and problems should be addressed through individual initiative, the market, the family and voluntary effort. These ideas had, of course, been articulated before but they had not been as resolutely implemented. The massive tax cuts and budgetary reductions of the early 1980s, the incessant propagandistic attacks on the social services and their beneficiaries, and the introduction of so-called

welfare reform legislation in 1988 formed the vanguard of the Reagan antiwelfare campaign.

Just how revolutionary these initiatives were, is of course open to interpretation. While those on the radical left, such as Piven and Cloward (1982) view the Reagan era as the incarnation of a new class war, writers associated with the right wing Cato Institute (Boaz, 1988) have berated the Reagan administration for its failures to secure meaningful, long term changes. Although these very different assessments may have the ironic effect of placing the Reagan presidency in a moderate position along the ideological spectrum, most traditional Republicans, Democratic liberals and social democrats would reject the imputation of moderation. For them, Reaganism was a radical movement that sought to introduce profound changes.

Significant changes were indeed introduced. The exacerbation of inequalities of income and wealth; the reductions in social expenditures and the retrenchment of human service programs; deregulation and the weakening of the labor movement; the consolidation of the 'underclass' phenomenon as a permanent feature of urban life; the huge, deliberately fostered budget deficit; the appointment of a conservative higher judiciary, and various other developments are seen by those at the political center as comprising a radical departure from accepted practices. Although there is disagreement about whether a true revolution has taken place, few analysts believe that these events are transient in their effects.

The Scope of This Issue

Revolutions do produce legacies and if there was a Reagan revolution it should be possible to assess its long term impact. Despite the notorious unreliability of social science prediction, it is the social scientist's task to extrapolate the present and to speculate about the future course of current events. The significance of the Reagan era for the American welfare state presents a challenge to social scientists concerned with issues of social policy. When this special issue of the *Journal of Sociology and Social Welfare* was being prepared, two years had passed since Ronald Reagan returned to his ranch in California to prepare

his memoirs. The time is ripe for an assessment of the Reagan legacy and its impact on social policy.

The issue has brought together a group of scholars who have extensive knowledge of the American Welfare State. They are well qualified to review the Reagan years and to assess the effects of the Reagan legacy. Although they are drawn largely from schools of social work, they have different interests which facilitate a multi-sectoral assessment of the impact of the Reagan era. They are, therefore, able to offer an incisive examination of the effects of the Reagan administration's policies on the constituent components of the welfare state including income maintenance, health care, housing, social work, and urban policy. They have also assessed the broader effects of these policies on incomes, inequality and poverty, and the position of women and people of color. In addition, the issue begins with an overview of the Reagan era and its ideological character.

The issue is concerned with social policy and not with the many other effects of the Reagan administration on American society. Although it is true that social policy cannot be readily divorced from political, economic, judicial and cultural trends or from international events, it is not possible to embrace these complex realities within the limitations of a collection of this kind. Nevertheless, while the various authors contributing to this volume focus on the welfare state, they are aware of these wider influences and allude to them.

Social science commentaries of this kind cannot be value free. Although objective analysis remains a desired goal in the social sciences, investigators who seek to transcend simple descriptions of social phenomena must interpret their findings and inevitably, such interpretations require perspectives that frame conclusions. Such perspectives, in turn, rely on theoretical models that draw on underlying ideological, cultural and social traditions. For this reason, social scientists are readily identified by their theoretical leanings. Indeed, it has been argued that the integrity of social science research is safeguarded by the declaration rather than obfuscation of preferences. The idea that interpretations of any complex social event are objective in the conventional sense of the word has long since been negated.

Admittedly, none of the contributors to this volume are apologists for the Reagan administration's social policies but this does not mean that their normative position is invalidated by partisanship. On the contrary, their perspective facilitates an interpretation of the impact of the Reagan years which will be readily understood and amenable to challenge by those committed to alternative points of view. And, as will be seen, their accounts offer a lively, interesting and yet reasoned assessment of the Reagan legacy.

The Impact of Reaganism and its Legacy

The authors of the articles in this issue have reached similar conclusions. Although they have focused on different sectors of the welfare state, they agree that the Reagan administration set out deliberately to alter prevailing New Deal social policies. They also generally agree that while significant changes were introduced, they fell short of what the radical right desired. Nevertheless, most of the authors take the normative position that these changes were damaging to the welfare of the great majority of American citizens. Low income groups were, of course, the most severely affected but even the middle class did not fare particularly well despite the Reagan administration's promises. In addition, the polarization of society, the business scandals which sent several prominent Wall Street and lesser known Savings and Loans tycoons to prison, and the budget deficit itself all generated wider social diswelfares.

The special issue begins with an introductory article by *James Midgley* which seeks to examine the historical and ideological factors leading to Ronald Reagan's election in 1980. He shows that Reagan was not just another Republican candidate who fought a successful presidential campaign but an anointed, carefully chosen leader, who radical right wing activists believed, would lead the nation out of the international humiliation, domestic economic stagnation, and pervasive moral decline into which it had allegedly fallen in the 1970s. This required more than faith alone. Armed with the dogma of New Right thinking, and a tenacious commitment to succeed, the Reaganite activists set about, almost conspiratorially, to achieve their goals. The article examines the ideological threads which were woven into

a complex political agenda to comprise the basis of Reaganism. Midgley contends that the remarkable achievement of the radical right in the 1980s was its ability to combine economic libertarianism, cultural traditionalism and authoritarian populism and, in so doing, to appeal to a broad constituency. These ideological themes also informed the Reagan administration's social policies and although not implemented to the extent intended, they have had a major impact on the American welfare state.

Robert Plotnick focuses on the changes which took place in incomes and standards of living during the Reagan years. He argues that despite some gains, the record of economic well-being in the 1980s belied the Reagan administration's claim that Americans would be better off if tax rates were cut and if the welfare state was scaled back. Although the standard of living rose, income inequality increased and the incidence of poverty was about the same as in 1980. These developments were the result of policy decisions made by the Reagan administration. Reductions in transfer payments fostered an increase in inequality as well as an increase in poverty; however, this was offset by changes in tax policy. In addition, broader social and economic factors widened income differentials and failed to reduce the incidence of poverty despite economic growth.

The article by *Howard Jacob Karger* deals with the impact of the Reagan administration policies on income maintenance programs. The article shows how the massive budget cuts of the early 1980s, major modifications to the tax system and the welfare reform initiative of 1988 all undermined the principles on which income maintenance programs for the poor were based. Although an attempt was also made to privatize the nation's social security system through the introduction of individualized retirement accounts, this did not succeed. Karger concludes that while income maintenance programs at the core of the welfare state ideal survived, the present situation is far from satisfactory. The huge budget shortfall, the recent deficit reduction agreement and the absence of a 'peace dividend' do not auger well for those who hope for an expansion of income maintenance programs.

Health care issues are examined by *Terri Combs-Orme* and *Bernard Guyer* in the following article. Combs-Orme and Guyer

point out that because of the extensive private health care system in the United States, health conditions are not as susceptible to changes in public policy as they are in other Western countries where state involvement in health care is extensive. However, there are two groups—the elderly and young children—who are most directly affected by government health care policy and it is on these groups that they focus their attention. The authors point out that although the Reagan administration attempted to introduce major changes in health care services for these groups, these were opposed by Congress and did not have as serious an effect as was predicted. Nevertheless, changes in health care funding and administrative arrangements have had a negative impact on the needy, and, in addition, it is clear that these effects have been exacerbated by the Reagan administration's wider social and economic policies which have contributed negatively to the health conditions of low income groups.

Mimi Abramovitz is concerned with the impact of the Reagan administration's programs and politics on women and minority groups. She argues that the growth of the welfare state was accompanied by the emergence of informal accords with the trade union, civil rights and women's movements which were compatible with the needs of political stability and profitable production. However, by the 1970s, as new contradictions made welfare state programs less useful to the needs of capitalism, these accords ceased to be functional and had to be undermined. A primary task of the Reagan administration was to undo the class, race and gender accords which had characterized the welfare state and brought positive benefits to many.

In the next article, *Beth Rubin*, *James Wright* and *Joel Devine* discuss the effects of the Reagan era on housing, especially for low income families. They argue that the exacerbation of income inequality, the role of tax incentives for the wealthy and the middle class, the increase in gentrification and condo conversion have resulted in a major squeeze on housing for low income groups with the result that many have become 'unhoused'. The absence of proper budgetary allocations for housing and of carefully formulated social policies designed

to resolve these difficulties, have perpetuated the disgraceful problem of homelessness which, they believe, will worsen as time goes by.

David Stoesz argues that the Reagan era coincided with a major shift in the American urban scene from the drab industrial city to its glittering, post-industrial successor. It also coincided with a sharp decline in industrial employment and an increase in poverty, marginalization and the growth of the urban underclass. The Reagan administration's oblique but successful urban policies decimated categorical grants to cities for community and urban development and exacerbated the flight of capital from the rustbowl to the sunbelt. In the absence of alternative policies, the legacy of deindustrialization, the creation and maintenance of a permanent underclass and the exacerbation of urban blight is likely to be perpetuated with serious consequences not only for those who live in America's large cities but for the nation as a whole.

In the concluding article, *Karen Haynes* and *James Mickelson* discuss the impact of the Reagan administration's policies on social work services and on the social work profession. The authors argue that a priority item on the Reaganite social policy agenda was the creation of a charity model of welfare in which well-meaning volunteers provide services to the deserving poor and by which for-profit enterprises cater to the middle and upper class. By slashing human service budgets this model was vigorously institutionalized creating a huge problem of unmet need. Although social work has not responded adequately to the problems created during the Reagan era, the profession can meet the challenge by becoming more involved in advocacy on behalf of the poor and needy.

As can be seen, the articles in this special issue are wide ranging and deal with many different facets of the American welfare state. However, the overall conclusions of the authors are similar. Most believe that while significant changes were made during the Reagan years, the welfare state remains intact. However, they also believe that the welfarist tradition of the New Deal has suffered greatly as a result of the Reagan era. In other words, while the Reagan presidency's drive to abolish the legacy of the New Deal failed, it did not fail miserably.

The authors also believe that it is unlikely that any significant effort will be made in the foreseeable future to reconstruct the welfare state. Most analysts recognize that the huge federal budget deficit has preempted any major injection of new resources. Popular opposition to taxation, so carefully cultivated by both Ronald Reagan and George Bush in their campaigns, further exacerbates the problem. The successful representation of planning as a failed ideological tool of socialism will perpetuate the fragmented, haphazard and incremental approach which has long characterized American social policy. The deliberate and propagandistic exploitation of anti-welfarist attitudes which have been an integral element in American popular culture, present a further impediment to serious reform.

Nor does George Bush's current popularity auger well for an improvement in the situation. At the time of writing, the President had secured widespread support for his military initiative in the Persian Gulf and it is likely that this will serve him well in his next electoral campaign. Despite the rhetoric of a "kinder, gentler America" which pervaded his administration's coming to office, the President's budget (which was introduced in Congress early in 1991) contained proposals which, if implemented, will have negative implications for social programs. The apparent absence of a serious Democratic opponent for the next presidential race as well as the lack of workable and politically acceptable welfare alternatives among liberal Democrats also poses a major problem for the proponents of the welfare state.

Generally, the outlook for the American welfare state may not be hopeless but neither can it be described as hopeful. Under these conditions, the most optimistic normative scenario seems to be the preservation of the *status quo*. While this state of affairs may be conducive to despair, it should foster resolve. The creation of the welfare state was the result of complex political strategies promoted and implemented by political beings. Its weakening during the Reagan years was also the result of deliberate political action. These historical realities suggest that political resolve combined with a concerted political effort can be activated for its renewal.

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